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UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

UTILIZATION OF LEAF CONTINUES
UPWARD IN TAIWAN

Factory consumption of unmanufactured tobacco has increased from 13.9 to 24.3 million pounds from 1950 through 1954. To meet this increased demand, domestic production, which is comprised principally of flue-cured, has increased from 13.8 to 21.5 million pounds.

The Monopoly Bureau expects to purchase about 23.8 million pounds of the domestic crop during 1955. Also, the Monopoly has increased prices to be paid to producers for 1955 tobacco crop from 4.4 to 7.8 U. S. cents per pound, depending upon grade to stimulate further domestic production. The Taiwan tobacco is considered to be poorer in texture and lacks aroma compared with United States flue-cured. The Monopoly Bureau has to import every year a certain amount of United States bright tobaccos for blending in higher quality cigarettes. Such imported tobacco is required to produce the better quality cigarettes demanded by a part of the consuming public. A small but growing export market for the better types of cigarettes is tending to increase the requirements of imported leaf.

The amount of United States leaf tobacco used by the Bureau has been increasing as indicated by actual factory consumption and imports of United States leaf. Imports of United States leaf have increased from .6 to 1.5 million pounds from 1951 through 1954. The United States has supplied all of the Monopoly's imported leaf requirements during the past 2 years. Imports of United States leaf during 1954 were about 20 percent larger than in 1953. Usings of United States leaf during 1954 increased about 22 percent over 1953, but only represented about 6 percent of the total tobacco used by the Monopoly. The need for United States leaf tobacco is increasing, but imports are limited by the shortage of foreign exchange.

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FOREIGN CROPS AND MARKETS

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TOBACCO INCLUDED IN BELGIUM-LUXEMBOURG
TWO-YEAR TRADE AGREEMENT WITH ARGENTINA

Tobacco is one of the items which the Belgian-Luxembourg Economic Union will purchase from Argentina under 2-year commercial and financial agreement signed on February 1, 1955. The agreement will be renewed annually by a tacit agreement after the 2 years have expired, unless denounced by either party. It applies to payments between Argentina and the whole Belgian monetary area, which includes the Belgian Congo and Ruanda Urundi.

Trade will comprise a number of consumer goods from Argentina in exchange for Belgian industrial materials and equipment.

Trade is to be carried in terms of U. S. dollars, and the settlement of balances between the countries is to be made with U. S. dollar exchange. For these purposes, an account in terms of "BLEU Dollars" is to be opened by the National Bank of Belgium in the name of the Argentine Central Bank. Whenever the balance of this account exceeds BLEU \$14 million, the debtor country, at the request of the creditor country, will pay the excess in multiples of \$100,000 by cable transfer on New York.

The adoption of the U. S. dollar as a unit of account and for making payments follows the recent trend in trade and payments Argentina has with other countries. This procedure has simplified accounting, particularly under Argentina's multiple rate exchange control system, and also provides for a settlement of balances in the most universally acceptable currency.

INDIA: SALES TAX ON RAW TOBACCO
AND LOW-PRICED TOBACCO PRODUCTS

The Madras Legislative Assembly passed a Bill on April 2, 1955, to amend the Madras Tobacco (Taxation of Sales and Registration) Act of 1953. The new Bill provides for the levy of a sales tax on raw tobacco and all low-priced tobacco products (includes bidis) which were exempted from tax in the original Act. These exempted items were consumed mostly by the lower income classes. The Bill was passed as one of the taxation measures to augment the State's revenue following a deficit in its 1955-56 budget. The increase in prices, which will result from the tax, may well result in a decline in consumption.

PAKISTAN SEED SITUATION

American seeds are highly regarded in Pakistan but the prospects for any appreciable U.S. exports to that country are not bright at this time because of the restrictions on imports to conserve dollar exchange, according to W. H. Youngman, Seed Marketing Specialist, Foreign Agricultural Service, who has recently completed a study in that country.

At present Pakistan is depending to a large extent upon locally produced seed to supply its needs. This is likely to continue for some time because of the dollar shortage. However, Pakistan lacks experienced commercial seed producers and the lack of quality seed is evident in the fields and in the bazaars.

American varieties of hybrid corn were reported as out-yielding the local flint varieties by a substantial margin in the more northerly corn producing sections. However, the major food use of corn in Pakistan is in bread known as "chapatti" and there is some controversy as to whether or not dent corn is satisfactory for this standard item of diet.

Looking to the future, the range improvement and erosion control projects now in effect in Pakistan may result in stronger demand for some American range grasses. A considerable number of American grasses, legumes, and forbs, are being tested and a few are showing promise. However, this project is just getting underway and it will take several years to determine which kinds are to be used to improve the extensive grazing lands.

GOLD COAST COCOA MIDCROP FORECAST

The first official forecast places the Gold Coast 1955 midcrop of cocoa beans at 5,000 long tons. The midcrop, which is harvested normally from May to September, usually approximates 5 percent of the main crop. However, in recent years, actual Marketing Board purchases of midcrop cocoa have been consistently below this percentage. This is primarily due to farmers holding cocoa in anticipation of an increase in producer price which is established at the beginning of the next main crop season, starting in late September or early October. When this occurs, the cocoa beans held back are marketed with the first of the new main crop.

In the past 4 years, Marketing Board purchases of midcrop cocoa have compared with total purchases of main crop cocoa as follows:

Year	Midcrop (Long tons)	Percent of Main crop
1951	3,941	1.5
1952	3,759	1.8
1953	3,597	1.5
1954	4,900	2.4

With total Marketing Board purchases of the 1954-55 main crop season reported at 206,536 long tons, the 5,000-ton forecast of the 1955 mid-crop would be 2.4 percent of the main crop, which compares favorably with 1954 but exceeds that of the three previous years.

VENEZUELAN SISAL TO BE
SOLD TO FRANCE

James H. Kempton, Agricultural Attache, American Embassy, Caracas, Venezuela, reported that the new French Ambassador, Pierre Denis, in his first interview with the Caracas press April 12, 1955, stated that in addition to the purchase of Venezuelan coffee and cacao, France would also buy considerable quantities of sisal. Although no specific quantity was mentioned, Ambassador Denis informed the press that an acceptance by the French Foreign Office of a Venezuelan offer for the sale of sisal had been received April 12, 1955.

On April 16, 1955, the press reported that the quotations obtained at various foreign sisal markets by the Venezuelan Foreign Office showed once again that Venezuela cannot market sisal abroad at a price that will meet even minimum producer requirements.

HOLLAND COFFEE FUTURES TRADING

The Association of Coffee Traders, together with the Amsterdam and Rotterdam Clearing Houses, have announced that regulations governing trade in coffee futures have been established.

There will be two separate, but closely cooperating, exchanges in Rotterdam and Amsterdam. These exchanges will be under the supervision of the Rotterdam and Amsterdam Clearing Houses, respectively. The basic contract will be for 7,500 kg. net (125 bags of 60 kg. each) of standard type Santos; superior good bean; good to fine roast, strictly soft, cup-tested; solid flat bean. Margin requirements will be fl. 3,000 (\$789.00 U.S.) per contract. Prices will be fixed daily first in Rotterdam and 15 minutes thereafter in Amsterdam. Quotations will be made in Dutch cents per half kg. Four types of Santos coffee will be traded: extra, prime; superior and good. Other types of coffee that will be traded include: Parana, Colombian, Costa Rican, Guatemalan; Mexican; and Salvadorian coffee.

MEXICAN KENAF PRODUCTION
DECREASED IN 1954

Kenaf production in Mexico is still on a relatively small scale, although already probably on a larger scale than in any other country in the Western Hemisphere, according to a report by Mrs. Ana M. Gomez, Assistant Agricultural Attache, American Embassy, Mexico City. Rapid expansion is probable during the next few years.

Production of kenaf in 1954 was reported at close to 2,844,000 pounds from about 1,630 acres, compared with 3,748,000 pounds from 2,270 acres in 1953. Possibly 3,400 acres will be planted in 1955 with a tentative forecast of production at 5.5 million pounds. The 1953 plantings were in the States of Sinaloa, Nayarit, and Veracruz, but in 1954 Sinaloa and Veracruz accounted for the total. In the current year much larger areas are expected in Veracruz and in Sinaloa, and possibly a small area in Morelos.

The average yield of kenaf fiber has been about 1,428 pounds per acre in Veracruz and 1,785 pounds in Sinaloa, although the 1954 average was close to 2,200 pounds in Sinaloa.

The price of kenaf fiber was reported as favorable to producers. The exports were small, and all to the United States. About 60 percent of the Mexican production is reported to be used in the making of bags and the remaining 40 percent in such products as cotton-bale wrapping, cots, twine, oakum, and in wrapping bolts of textiles.

KENYA TEA PRODUCTION INCREASES

Tea production in 1954 in Kenya set a new record with a crop of 17,489 thousand pounds, considerably above the average of the last 5 years. Climatic conditions and the distribution of rainfall were favorable for tea growing; and the losses of young tea which occurred during the drought of 1953 have been replaced and additional acreage planted in most areas.

The quantity of tea set aside for export from the 1954 crop amounted to 10,995 thousand pounds, approximately 63 percent of the crop. Licensed exports during 1954, which include carry-over of tea produced in 1953, amounted to 11,070 thousand pounds. Of this the United Kingdom received 53 percent, Canada 12 percent, United States and Africa 10 percent respectively; and the remaining 15 percent went to various small countries.

Domestic consumption of tea in Kenya approximated 37.5 percent of the total production, 6,495 thousand pounds. The high price of tea on the world market led to a demand for an increase in the local market. Negotiations of the Tea Board and the Government resulted in the removal of price control and the establishment of a revised formula for determining local prices.

CUBAN KENAF PRODUCTION CONTINUES EXPERIMENTALLY

Kenaf production in Cuba continues, but no large-scale plantings are contemplated for 1955. According to the Cuban Agricultural and Industrial Development Bank (BANFAIC), as reported by the American Embassy in Havana, only three growers produced kenaf in 1954. Most of the production came from 116 acres centered around the Province of Pinar del Rio which yielded 98,550 pounds in the form of ribbons.

The kenaf crop was purchased wholly by BANFAIC, which financed the plantings. The Bank still holds more than 50,000 pounds of kenaf in ribbons in store from previous crops which it intends to process into fiber sometime during 1955, if its pilot plant at Tapaste, Province of Habana, is opened.

About 150 acres are expected to be planted in the Province of Oriente in 1955 for experimentation with a new harvester and automatic ribboning machine. Many potential growers are reported to be watching the success of these developments in reducing harvesting and decorticating costs.

CUBAN HENEQUEN
PRODUCTION IN '54

Cuban production of raw henequen fiber in 1954 from the 14 plantations which were active amounted to approximately 32,703,000 pounds, compared with the 25,474,000 pounds produced in the preceding year, according to the American Embassy, Havana.

The total acreage planted to henequen in Cuba in 1954 approximated 32,053 acres, and the area harvested 20,591 acres. These areas, respectively, compare with a total area in crop of about 32,134 acres and a harvested area of 19,184 acres in 1953.

While production increased 28.4 percent over 1953, the harvested area increased only 7.33 percent. The average yield of henequen in 1954 was 1,588 pounds to the acre compared with 1,329 pounds in 1953. There were almost no workers' strikes or slow-downs in the past year. Other favorable production factors included generally good growing and harvesting weather, newer fields in production, and cooperation of growers with workers.

Wages of field labor were lower in 1954. In 1952 and 1953 they averaged \$5.61 per day, but earnings were about \$2.60 per day during the 1954 henequen fiber harvest.

Stocks of henequen fiber at the close of 1954 were believed to be about 5.7 million pounds at plants and mills, compared with 4.1 a year earlier, and 7.6 at the close of 1952. In the past year supplies were larger than for the preceding year in spite of smaller beginning stocks, because of the substantial increase in production. Exports were believed to be somewhat less, but consumption of henequen (excluding tow) for rope and twine increased to 13.4 million pounds from 8.4 million in the preceding year.

Production in 1955 does not look as encouraging at this time as it was in 1954. One large plantation has closed down because of losses of new plantation developments by a number of serious fires late in 1954 and early in 1955. This will mean a loss in production of 2 to 4 million pounds of fiber. Costs other than wages are discouragingly high. However, an effort at survival by cutting costs through volume selling will probably be tried.

URUGUAYAN GOVERNMENT WILL NOT
CHANGE EXCHANGE WOOL RATE

In recent months there has been considerable public debate in Uruguay concerning the desirability of stimulating wool exports by granting a better exchange rate for raw wool, or through the removal of certain export charges. The National Executive Council recently decided that the Government will do neither. Producers' hopes that the Government might take one of these courses allegedly has caused them in numerous instances to refuse to sell at going world prices.

JAPAN'S IMPORT PROGRAM FOR TALLOW, HIDES, AND SKINS

The Japanese Ministry of International Trade and Industry has announced Japan's foreign exchange budget for the first half of the fiscal year 1955 (April 1-Sept. 30). The import budget for so-called raw materials for daily necessities includes beef tallow valued at \$13,464,000, compared with actual imports during the same period a year earlier, of \$8,775,000. Contemplated imports of hides and skins for the first half of the fiscal year 1955 are valued at \$7,610,000 compared with actual imports of \$8,006,000 a year earlier.

The Japanese government will endeavor to bring about a shift in imports from the dollar area by encouraging importers whenever possible to arrange to make payments either in sterling or through an open account in foreign currencies other than dollars.

INCREASED USE OF FLUID MILK POSSIBLE IN BURMA

Rangoon, capital of Burma, with a population of approximately 750,000 people, has an estimated daily distribution of only 12,000 to 14,000 quarts of milk, according to Graham Quate, Agricultural Attache at the American Embassy there.

About 500 quarts a day are supplied to the city by the Government Dairy Farm located near Rangoon and 100 quarts are distributed through a small pasteurizing plant. This milk is the only product which can be said to be of reliable quality; and the pasteurizer is charging about 35 cents a quart. The remainder of the milk supply for the city is of questionable quality, and dilution is a common practice; yet milk of this quality is bringing 23 cents a quart in United States currency.

Because of the conditions in dairying practices in Rangoon and other larger urban areas of Burma, it is thought that there is a fair opportunity for the successful establishment and operation of milk recombining plants. The milk consumption possibilities in Rangoon are to be the subject of a research project by the University of Rangoon's Economics Department.

Currently, UNICEF imports and distributes about 50,000 pounds of nonfat dry milk solids and 12,000 pounds of dry whole milk each month. About 60 percent of the milk goes to school children under UNICEF distribution and the remaining 40 percent to Mothers and Children Health Centers in the various communities.

WORLD SHEEP NUMBERS CONTINUE TO RISE

World sheep numbers continued upward in 1954 for the eighth consecutive year. The total of 833 million head was 1 percent above a year earlier, 14 percent above prewar, and 18 percent above the 1946-50 average, on the basis of the latest information collected and analyzed by the Foreign Agricultural Service.

The greatest percentage increases in numbers during 1954 occurred in Africa, and smaller increases were registered for Asia, South America, and Oceania. Sheep numbers in the U.S.S.R. increased slightly from October 1953 to October 1954. There was little change in numbers in North America and Europe during 1954.

Compared with prewar, sheep numbers stand at unusually high levels in Africa, South America, Asia, and Oceania. However, numbers in North America are 36 percent below prewar and the total for Western Europe is down slightly.

Sheep numbers are not now increasing so fast as they have been in recent years. The gain during 1954 was only 9 million head compared with 12 million a year earlier and 23 million the year before that. The sharp rise in world wool prices following the outbreak of the war in Korea in 1950 increased the interest in sheep production and brought about a sharp increase in numbers. The increases have continued despite the fact that world wool prices are now materially below the peaks reached in 1950-51. Apparently, returns from wool production in the important producing areas continue favorable to producers; and a relatively strong demand for lamb and mutton is also encouraging the expansion.

The high level of sheep numbers in Uruguay, Australia, and New Zealand suggests that wool production is continuing to rise and these countries will be able to maintain or increase their exports of lamb and mutton for several years. However, sheep numbers in the United Kingdom, the world's largest importer of lamb and mutton, are approaching prewar levels. The increase in numbers there since the end of World War II has tended to decrease the amount of lamb and mutton imported. Apparently sheep numbers continue to increase in the Union of South Africa, but that country has exported little lamb and mutton in recent years. During the past year and a half the U.S.S.R. has become a leading importer of lamb and mutton and has obtained large supplies of ewe and wether carcass mutton in Uruguay, Argentina, Australia, and New Zealand.

Sheep numbers in the United States continue at low levels. In both Canada and the United States sheep production has faced increased competition from cattle and dairy production and somewhat from relatively more profitable returns from crop production. The high cost of producing lambs and wool in relation to returns has not been favorable to the maintenance of sheep numbers.

Sheep numbers in Western Europe decreased slightly during 1955. Numbers continued to increase in France, Ireland, and the United Kingdom.

It is believed that sheep numbers have continued to increase in Eastern Europe and that the total there is now about up to prewar.

SHEEP: Number in specified countries, averages 1936-40 and 1946-50, annual 1950-1955

Continent and Country	Month of Estimate	Averages					1951	1952	1953	1954	1955
		1936-40	1946-50	1950	1951	1952					
		Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
NORTH AMERICA											
Canada	Dec. 1	2,651	1,681	1,259	1,268	1,016	1,105	1,161	1,184		
Guatemala	July	273	665	712							
Mexico	Dec. 31	4,809	4	4,902	5,000	5,000	5,000	5,000	5,200		
United States	Jan. 1	51,404	24,993	29,826	30,635	32,088	31,861	31,218	30,931		
Estimated total		59,700	42,800	37,300	38,200	39,600	39,300	38,800	38,700		
EUROPE											
Austria	Dec. 31	316	419	375	400	319	350	297	278		
Belgium	Jan. 1	187	132	121	116	124	114	110	103		
Denmark	July 15	147	93	61	56	48	39	33			
Finland	June 15	1,007	1,071	1,220	1,096	1,126	998	908			
France	Oct. 1	9,648	7,257	7,480	7,511	7,585	7,674	7,826	7,985		
Germany, Western	Dec. 1	1,889	2,274	2,020	1,642	1,666	1,544	1,352	1,226		
Greece	Dec. 31	8,304	6,698	6,337	6,793	7,348	8,524	8,600	8,600		
Iceland	Dec. 31	624	462	402	416	411	443				
Ireland	June	3,076	2,229	2,385	2,616	2,857	2,930	3,113			
Italy	Jan. 1	9,650	9,624	10,366	10,295	10,141	10,002	9,892	9,500		
Netherlands	May	636	459	390	360	383	424	407			
Norway	June 20	1,742	1,716	1,812	1,929	1,987	1,985	1,952			
Portugal	Dec. 31	3,890			5,000		5,200				
Spain	April 1	16,132		16,344		16,348	16,181	17,233			
Sweden	Summer	398	368	279	261	256	241	234	185		
Switzerland	April	177	189	182	191	190	188	186			
United Kingdom	June	26,112	19,092	20,430	19,984	21,655	22,455	22,873			
Yugoslavia	Jan.	9,920	10,845	10,042	10,273	10,518	11,400	12,112	11,935		
Estimated Total		121,000	104,600	107,800	108,500	112,000	115,400	118,300	118,300		
Western Europe		94,300	83,300	85,100	85,400	88,100	90,800	92,900	92,200		
Other Europe		26,700	21,300	22,700	23,100	23,900	24,600	25,400	26,100		
U.S.S.R. (Europe and Asia)											
	Jan. 1	66,000	67,700	78,000	86,000	90,000	92,000				
ASIA											
Cyprus	Oct.	300	302	287	295	311	351	361			
Iran	Mar. 21	14,497	12,800	13,572	14,672	16,200	17,000	17,750	18,000		
Iraq	Mar. 31	7,090	7,323	7,490	9,000	8,700					
Syria	Dec. 31	2,060	2,963	2,443	3,250	3,232	3,400				
Turkey	Dec. 31	21,656	24,053	23,073	23,083	24,833	26,534	27,211	27,400		
China	May	14,100	9,400	10,000	10,800	14,400	17,200				
India	Jan. 1	41,000	38,200	38,900	38,739	38,739					
Indonesia	Dec. 31	1,614	1,805	1,999	2,008	2,565	2,699				
Pakistan	Jan. 1	8,000	6,150			8,000					
Estimated Total		140,700	137,400	139,200	145,200	152,200	158,600	165,100	165,200		

SOUTH AMERICA

Argentina.....	July	44,900	50,000	47,000	50,500	51,500	51,000	51,500	-
Bolivia.....	Dec. 31 1/	2,608	4,000	-	-	-	-	-	-
Brazil.....	Dec. 31 1/	11,438	14,413	-	14,251	15,891	16,264	16,800	17,000
Chile.....	June	5,855	6,050	6,000	6,500	7,200	6,500	-	-
Colombia.....	Dec. 31 1/	916	1,110	1,198	1,339	-	1,465	-	-
Falkland Islands.....	Dec. 31 1/	604	610	611	597	584	594	-	-
Paraguay.....	Dec. 31 1/	14,900	17,852	17,751	16,268	15,904	16,200	-	-
Peru.....	May	17,921	21,600	23,000	23,409	27,000	28,500	26,578	-
Uruguay.....	May	100,900	117,500	113,500	118,800	125,400	126,400	125,900	126,600
Estimated total.....									

AFRICA

Algeria 12/.....	April	6,180	3,486	4,531	5,321	6,028	6,004	-	-
Anglo-Egyptian Sudan.....		2,500	5,375	5,600	6,000	-	-	-	-
Kenya.....	Dec. 31 1/	3,274	3,260	2,304	3,400	2,339	2,515	-	-
Tanganyika.....	Dec. 31 1/	1,780	2,263	2,304	2,445	1,051	2,800	-	-
Uganda.....	Mar. 31	1,285	1,018	1,066	1,095	1,051	-	-	-
Basutoland.....	Feb.	1,443	1,690	1,558	1,564	1,300	1,300	-	-
Egypt.....	July 1	1,771	1,943	1,932	1,944	1,959	1,864	-	-
Ethiopia (incl. Eritrea).....		-	-	-	-	-	19,500	-	-
Federation Nyasaland and Rhodesias.....	Dec. 31 1/	399	393	375	354	373	394	334	-
French Morocco 12/.....	Dec. 31 1/	9,976	7,939	9,149	10,375	10,960	13,262	13,900	-
French West Africa.....	Dec. 31 1/	8,674	9,000	9,700	-	-	10,800	-	-
Madagascar 12/.....	Dec. 31 1/	193	171	284	244	284	365	397	-
Mozambique.....	Dec. 31 1/	84	63	70	74	82	76	-	-
Spanish Morocco 12/.....	Dec. 31 1/	481	593	684	-	-	-	-	-
Tunisia 12/.....	Dec. 31 1/	3,026	2,010	1,885	2,361	3,060	3,420	3,000	-
Union of South Africa.....	Aug.	39,399	31,542	31,361	34,823	35,480	35,992	-	-
Estimated total.....		99,700	98,300	103,800	113,800	117,700	121,800	123,500	125,400

OCEANIA

Australia.....	Mar. 31	112,571	103,261	112,891	115,596	117,647	123,072	126,890	-
New Zealand.....	Apr. 30	31,352	32,973	33,857	34,786	35,384	36,193	38,011	-
Estimated total.....		144,000	136,230	146,800	150,400	153,000	159,200	164,900	167,000

Estimated world total.....

1/ End of year estimates (October to December) included under following year for comparisons and totals, thus for Canada the December 1, 1949 estimate of 1,259,000 head is shown under 1950. 2/ Preliminary. 3/ Census or estimate for single year. 4/ June. 5/ Average for 2 to 4 years only. 6/ Official statistics; may be underestimates of actual numbers. 7/ September. 8/ March. 9/ Spring. 10/ Census, December 31, 1940. 11/ Sheep 1 year old and older. 12/ Data include only number taxed. 13/ A new series of estimates was inaugurated by the Directorate of Veterinary Service in 1951. 14/ 1950 figure includes 22 provinces, Manchuria and Sinkiang. Excludes outer Mongolia. Figures for 1951, 1952 and 1953 are National estimate of China mainland. Excludes outer Mongolia. 15/ Includes animals under one year old.									
		732,000	704,600	728,400	760,900	789,900	812,800	824,500	833,200

Compiled from official sources, reports of Agricultural Attachés and other United States representatives abroad. Data for countries having changed boundaries relate to present territory. Totals include estimates for countries for which official statistics are unavailable. Foreign Agricultural Service, April 1955.

Sheep numbers continue to increase in important producing countries in Asia. Numbers in Turkey, with the third largest inventory, are believed to be considerably above prewar and to have increased steadily in recent years. It is estimated that numbers in India, with the second largest sheep total in Asia, have been maintained or increased slightly during the past several years. Apparently numbers are also at high levels in Iran and Iraq. Numbers in China are reported to be considerably above prewar and more than double the low level of 1946-50, on the basis of reports from the Communist press and radio.

During the past few years there have been sharp increases in numbers of sheep in Uruguay, one of the leading sheep producers in South America, and numbers in Argentina, Brazil, and Peru have been maintained or increased slightly.

The estimated number in the Union of South Africa in August 1953 was almost 36 million head and it is believed that there has been an increase there since that time, despite the recent serious drought.

Sheep numbers in the leading producer of the world, Australia, apparently now total around 128,000,000 head--a new all-time high. Most indications point to an increase in sheep numbers in New Zealand and the number on farms this April was estimated to be greater than the 38 million head on hand in April 1954.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crops and Livestock Statistics. It is based in part upon reports of Agricultural Attaches and other U.S. representatives abroad.

LIVESTOCK SITUATION IN AUSTRIA

Meat production in Austria during 1954 was about equal to a year earlier, exports were slightly larger than imports, and livestock numbers on farms showed divergent trends, according to Einar Jensen, Agricultural Attache, American Embassy, Vienna.

The level of meat production expected in 1955 will probably leave little meat for export as the government is not expected to encourage this movement as during the past year. An amendment to the Austrian Foreign Trade Act provides that export licenses must be approved by the Ministry of the Interior which tends to represent consumer interests. Therefore, it would appear that this would prevent large exports which would create meat shortages and unusual price increases during the year. Early in 1954 meat production had reached a point where surpluses appeared and prices declined in Austrian markets; anxious to prevent the decline in prices, the government adopted a policy of encouraging through various means the export of surplus slaughter livestock and meat. (see Foreign Crops and Markets, April 19, 1954).

The livestock census of December 1954 showed the livestock population, in terms of livestock units, to be 92 percent of the level attained in 1938. Feeding methods have improved and livestock production is now more efficient than before the war.

Austria's cattle population increased only 2 percent during 1954 and the 2.3 million head on farms was 11 percent below 1938. The Austrian Institute of Economic Research believes that it is not likely that the pre-war number of cattle will be restored, since more emphasis is now being placed on greater efficiency than on the size of herds. At the end of 1952, when cattle prices started to decline, farmers reduced the number of calves. During 1953 cow numbers were reduced partly by the elimination of tubercular cattle. During 1954 farmers again began to build up numbers. The number of calves increased by 12 percent. Beef output has increased. During 1955 the supply of beef and veal is expected to remain about the same as in 1954.

During 1954 hog numbers increased 6 percent and the total of 2.8 million on January 1, 1955, was 2 percent below prewar. Hog production during late 1952 and early 1953 proved unprofitable to hog producers and the hog-number cycle reached its lowest point in the fall of 1953. Since then it has turned upward and a large increase in the market supply of hogs is expected this year. It is even possible that there will be temporary surpluses of pork during the latter part of 1955.

Poultry numbers also increased during 1954 and the number of chickens is practically back to prewar. Numbers of ducks and geese are 26 percent and 48 percent respectively, above prewar. As in the other lines of live-stock production, poultry raising has increased in efficiency. Breeding stock is now of much higher quality than it was before the war. Output per bird is considerably higher.

Numbers of sheep and goats have declined since 1950. Sheep were important during the war years when food was scarce, but with improvement in supplies of other meats and a rise in consumer income, mutton and lamb consumption has declined. There also has been a weak demand for wool produced domestically. Goat numbers also have declined.

The number of horses on hand December 1954 was 4 percent below a year earlier and was also below prewar, reflecting progressive replacement by trucks and tractors.

The United States shipped Austria a small tonnage of pork tongues and pork livers in 1954. Although there was a fairly active demand for these items, imports from the United States met with considerable difficulty. Austrian veterinarians at first declined to admit the shipments at all on grounds that the products were carriers of hog cholera. The products were finally allowed entry providing they were heat-processed and used in the manufacture of meat products.

ITALIAN DAIRY LEADER REVIEWS PROBLEMS

The dairy problems of Italy (Foreign Crops and Markets, April 18, 1955) were discussed in a news interview by Dr. Ercole Locatelli, President of the Italian Milk and Cheese Producers Association. According to Herbert K. Ferguson, Assistant Agricultural Attache, American Embassy, Rome, Dr. Locatelli's discussion centered around 4 points.

First, said Dr. Locatelli, dairy producers are under restrictions which limit their profits; on one hand they are required to hire a specific number of labor units while the regulated price of fluid milk for direct consumption does not reflect changing costs of production. Secondly, while the fluid milk prices may be fixed at unprofitably low levels, the prices of manufactured dairy products are too high, reducing consumption and piling up stocks.

Furthermore, Dr. Locatelli said, the market for milk is obviously far from met since Italy's per-capita consumption is low. This is caused in part by faulty distribution, but also contributing is the lack of any concerted educational efforts directed toward showing the population the benefits of milk and dairy products as foods.

Finally, Dr. Locatelli reiterated his belief that a Government revolving fund is necessary. The fund of approximately \$16 million should be established to purchase milk products during periods of heavy production and to resell them during times of shortages.

DANISH MILK PRODUCTION SHOWS SLIGHT INCREASE

Although cow numbers during 1954 were 1.4 percent above the total for 1953, the average output per cow was down, and as a result, milk production during 1954 showed only a 0.4 increase over the previous year; total production during 1954 amount to 11,898 million pounds.

Two-thirds of the 1954 production was used in the manufacture of butter, according to Sherwood O. Berg, Agricultural Attache, American Embassy, Copenhagen. Butter output during 1954 totaled just under 398 million pounds, an increase of 4.5 percent over 1953. Manufacture of cheese was 179 million pounds, down somewhat from the 192 million-pound output of a year earlier. Data on canned milk production are not yet available.

Total valuation of dairy exports during 1954 was \$191 million, slightly more than \$1 million above 1953.

BUTTER AND CHEESE LOSSES LOOM LARGE IN NEW ZEALAND

The New Zealand dairy industry will lose at least \$10.5 million as a result of the cancellation of a long-term contract with the United Kingdom, according to Eugene T. Ransom, Agricultural Attache, American Embassy, Wellington.

The Minister of Agriculture gave this figure when asked during a legislative debate as to the effect the cancellation of the contract had on the dairy returns. Under the contract the price of butter would have been about 39.25 cents and cheese 21.1 cents per pound. The price received thus far for butter is about what would have been received under the contract, but the price received for cheese has averaged just under 15.9 cents per pound.

Shipments are also running lower than previously. In 1953 butter shipments amounted to 356 million pounds, but 1954 exports are listed at a preliminary total of only 297 million pounds. Cheese exports dropped 20 million pounds during 1954 from a 1953 total of 227 million pounds. The shipments may run lower, and the price may drop still further. The figure quoted by the Minister may be conservative.

CARE TO SUPPLY DAIRY PRODUCTS TO BOLIVIA

The Bolivian press has announced that the Bolivian Government has signed an agreement with Derick Singer, representing the CARE organization in Bolivia, whereby the government will import under CARE auspices dairy products obtained from United States government-owned supplies during 1955. To be imported are 3 million pounds of nonfat dried milk solids, 2.4 million pounds of butter, and 4.2 million pounds of cheese; in addition, 240,000 pounds of edible oil are to be included in the shipments.

The distribution of the commodities to Bolivia's institutions and needy will be effected through the Ministries of Labor, Rural Affairs, and Mines and Petroleum. The supplies will cost the Bolivian Government approximately \$203,000; of this amount \$73,900 will be in expenses in the United States for administrative costs and handling of the commodities; \$84,500 will be spent in Bolivian currency for administrative and distribution costs; and \$44,800 will be spent in Peruvian currency for transportation and handling charges from Mollendo.

The program should considerably strengthen the school-lunch system and the dietary level of State-sponsored hospitals and welfare institutions.

DAIRY EXPERTS FROM INDIA VISIT NEW ZEALAND

Dr. S. C. Ray, dairy-herd technologist, Bangalore; Dr. L. C. Sikka, Milk Commissioner of West Bengal; and Dr. D. N. Khurody, Milk Commissioner to the government of Bombay, have just completed a month's visit inspecting New Zealand's vast dairy operations, according to Eugene T. Ransom, Agricultural Attache, American Embassy, Wellington. The three were particularly interested in trying to find methods of improving milk production, and treatment and distribution--and hope to take back information that will improve the milk supply of the 22 herds of zebu and buffalo which the State Governments have established recently as city suppliers. The trio will take back what may possibly be India's first milking machine; and a New Zealand technician is being sought for a tour of duty in India to teach Indians how to operate the machine.

The Indians also expressed interest in New Zealand's nonfat dry-milk solids.

FRANCE DESIGNATES DAIRY SUPPORTS

The Milk Market Rehabilitation Fund will receive over 5 billion francs, more than \$14 million, by a diversion of 6 percent of the receipts from the meat tax, according to Harold L. Koeller, Assistant Agricultural Attache, American Embassy, Paris. The money will be used to support domestic prices of dairy products and to finance exports of surplus dairy products (See Foreign Crops and Markets, November 8, 1954).

Producers are expected to insist that the government immediately set the summer reference price and the price at which butter will be supported. The Minister of Agriculture, in addressing a recent Congress of the Dairy Confederation, promised milk producers a more "stable and just" milk price beginning May 1.

DUTCH TO RETAIL FLUID MILK IN PAPER CARTONS

According to George Dietz, Agricultural Attache, American Embassy, The Hague, The Netherlands, The Dutch dairy industry has announced in the press that it will begin the retailing of fluid milk in paper cartons during the present month. For 5 years or more the Dutch have sold fluid milk to United States troops in Germany in paper cartons, but this will be the first introduction of the container to the Dutch public.

The dairy industry feels that the use of the carton will cut costs and save the public the inconvenience of making deposits on glass bottles; furthermore, the trade is emphasizing the superior "keeping qualities" of the cartons.

DUTCH TO RAISE POULTRY IN VENEZUELA

A group of Netherlands' investors will attempt to develop poultry and egg production in Venezuela on a scale sufficient to supply all internal demands for these products, according to James H. Kempton, Agricultural Attache, American Embassy Caracas. The group has carefully studied the market and the local conditions for poultry raising. They are prepared to make an initial investment of \$1,500,000 in this venture, which should be well in progress by the end of 1955 and in production by 1956. Venezuela is a major export market for United States poultry and egg products--taking 13,361,000 dozen shell eggs, 8,645,000 baby chicks, and 107,000 pounds of canned poultry in 1954.

GERMAN COTTON IMPORTS, CONSUMPTION, HIGHER THAN LAST YEAR

Imports and consumption of cotton by Western Germany during the first 6 months (August-January) of the 1954-55 marketing year were slightly higher than in the corresponding months of the previous year. Imports were 8 percent above those in the earlier period, and consumption registered a 5-percent increase, according to Arthur D. Foley, American Consul, and Adolph Schneider, American Consulate General, Bremen.

Imports of 632,000 bales (500 pounds gross) in August-January 1954-55 compared with imports of 587,000 bales in the similar period of 1953-54. Imports from the United States in the current period were 211,000 bales, nearly twice as much as the 113,000-bale imports a year earlier. The proportionate share of the United States cotton increased from 19 percent of the total in August-January 1953-54, to 33 percent of the total in the period under review. Sizeable increases were also shown in imports from Mexico, Brazil, Nicaragua, and Guatemala, offset by decreased quantities from Turkey, Syria, Iran, the Belgian Congo, Egypt, and Peru.

FEDERAL REPUBLIC OF GERMANY: Imports of cotton from major countries of origin; average 1934-38; crop years 1951-53; August-January 1953-54 and 1954-55

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1				August-January	
	Average	1951	1952	1953	1953-54	1954-55
	1934-38					
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Anglo-Egyptian						
Sudan.....	1/	0.6	27.8	25.6	21.9	9.2
Argentina.....	49.0	.4	8.4	10.8	7.3	5.2
Belgian Congo.....	12.7	37.5	75.9	42.0	25.3	10.0
Brazil.....	284.8	65.0	.7	213.6	95.5	118.4
British East Africa..	1/	35.3	56.9	38.9	13.6	22.8
Egypt.....	174.1	58.1	126.8	127.9	55.5	42.5
India.....	117.6	4.5	23.2	7.3	3.6	1.4
Iran.....	2/ 21.2	11.2	37.8	30.8	15.6	9.2
Mexico.....	1/	18.9	85.6	89.3	60.4	94.5
Nicaragua.....	1/	.7	26.8	54.6	21.1	27.7
Pakistan.....	3/	30.5	92.4	35.2	11.4	3.2
Peru.....	83.2	9.2	31.9	55.2	35.2	26.3
Syria.....	1/	3.5	38.5	39.3	22.7	7.1
Turkey.....	48.3	131.3	134.3	67.4	45.6	19.3
United States.....	300.8	466.4	275.5	376.7	113.1	211.3
Other countries.....	83.3	10.6	4/ 41.7	5/ 49.1	38.7	24.3
Total.....	1,175.0	883.7	1,034.2	1,263.7	586.5	632.4

1/ If any, included in "Other countries." 2/ 4-year average. 3/ Included in India prior to 1947. 4/ El Salvador 20,957 bales. 5/ Afghanistan 23,342 bales.

Source: Der Auswartige Handel Deutschland and Monathliche Nachweise uber den Auswaritigen Handel and official reports.

Cotton consumption in Western Germany during August-January 1954-55 amounted to 633,000 bales, roughly 5 percent more than the 605,000 bales consumed a year earlier. A moderate decline in production of cotton yarns was indicated for February, but no weakness has been evident in consumer demand for cotton fabrics, and the outlook is considered generally favorable.

WESTERN GERMANY: Cotton quotations in U.S. cents per pound, c.i.f.
Bremen/Hamburg, to West German mills, on or about March 20, 1955

<u>Brazil:</u> (New crop)		<u>U. S.</u> (Nearest comparable quality)	
South: about Type 5		Memphis/Orleans/Texas	
Middling 1 inch.....	35.45	Middling 1 inch.....	38.44
North: M 1-1/32 to			
1-1/16 inches.....	36.35	M/O/T M 1-1/32 inches.....	39.26
South: about Type 4 Strict			
Middling 1 inch.....	36.80	M/O/T SM 1 inch.....	39.25
North: SM 1-1/16 to 1-1/32"...	37.35	M/O/T SM 1-1/16 inches.....	39.71
<u>Mexico:</u>			
(New crop)			
Matamoros M 1-1/32 inches.....	37.85	M/O/T M 1-1/32 inches.....	39.26
Matamoros SM 1-1/16 inches			
(Aug/Sept. shipment).....	38.53	M/O/T SM 1-1/16 inches.....	40.74
(Old crop)			
Mexicali SM 1-1/16 inches			
(Mar/Apr. shipment).....	39.24	M/O/T SM 1-1/16 inches.....	40.74
<u>Nicaragua:</u>			
About M 1-1/16 inches.....	36.64	M/O/T M 1-1/16 inches.....	39.69
About SM 1-1/16 inches.....	37.85	M/O/T SM 1-1/16 inches.....	40.74
About Good M 1-1/16 inches....	38.48	M/O/T Good M 1-1/16".....	41.28
<u>Egypt:</u>			
Ashmouni Fully Good 1-1/8"....	43.85	Calif. SM 1-1/8 inches.....	41.38
Giza 30 FG.....	47.35	Calif. SM 1-1/8 inches.....	41.38
<u>Syria:</u>			
Texas 100 abt. SM very light			
spotted 1-1/32 to 1-1/16".....	38.35	M/O/T SM 1-1/16 inches.....	40.74
<u>Iran:</u>			
Cokers abt. SM 1-1/16 inches..	38.30	Calif. SM 1-1/16 inches.....	40.50
		Arizona SM 1-1/16".....	40.40
<u>Uganda:</u>			
AR BP 52 abt. SM bright			
1-1/8 to 1-5/32 inches.....	46.20	Calif. SM 1-1/8 inches.....	41.38
<u>U.S.S.R.:</u>			
SM 1-1/16 inches.....	39.05	M/O/T SM 1-1/16 inches.....	39.71
<u>Pakistan:</u>			
American seed, roller gin NT			
abt. M light spotted 1-1/32"....	35.60	M/O/T M 1-1/32 inches.....	39.26
Am. seed, r.g. 289F abt. M			
light spotted 1-1/32".....	36.30	M/O/T M 1-1/32 inches.....	39.26

Mostly March/April, and in part May shipment, cash on arrival (partly $\frac{1}{2}$ quality franchise). Quotations for U.S. and Mexican cotton based on May 1955 N.Y. (33.74 cents per pound).

Stocks at cotton mills on January 31, 1955, amounted to 251,000 bales, a slight decrease from stocks of 259,000 bales held on August 1, 1954, but well above the 194,000 bales held on January 31, 1954. Stocks of United States cotton on the most recent date amounted to 76,000 bales or 30 percent of the total.

Prices of United States cotton by the end of March 1955, were in less favorable relationship with quoted prices of most other comparable growths than during recent months. Quotations reported by a private price digest which represent average prices quoted to West German spinners, from 20 to 30 in number, by Bremen, Hamburg, and inland importers, on March 20, 1955, were as given in table, facing page.

INDIAN COTTON PRODUCTION AND CONSUMPTION HIGHER THAN LAST YEAR

Latest estimates of the 1954-55 cotton crop in India indicate a production of approximately 3,900,000 bales (500 pounds gross) which exceeds by 5 percent the 1953-54 crop of 3,730,000 bales, according to E. B. Shearer, Agricultural Officer, and V. Krishnamurthy, American Consulate General, Bombay. Total acreage for 1954-55, according to the Government's fourth official estimate, amounted to 17,465,000 acres as compared with the officially estimated area of 17,027,000 acres for 1953-54.

Cotton mill consumption in the first 5 months (August-December) of the 1954-55 marketing year amounted to 1,617,000 bales or 4 percent higher than consumption of 1,550,000 bales in the corresponding period of 1953-54. Mill activity was at a new high in December 1954, when a record 143 million pounds of yarn were produced, and the record cotton consumption amounted to 345,000 bales. Cotton consumption in December 1953 amounted to 329,000 bales. The conventional estimate of non-mill cotton consumption in India amounts to approximately 18,000 bales per month.

India's cotton imports in the first 7 months (August-February) of the 1954-55 marketing year amounted to 95,000 bales as compared with 66,000 bales imported in the corresponding period of the previous year. Principal sources of this year's cotton were Brazil, British East Africa, and the United States.

India's cotton exports amounted to 235,000 bales in August-February 1954-55 as compared with 198,000 bales in the similar period of 1953-54. Government authorization of cotton export quotas for the 1954-55 marketing year so far totals 300,000 Indian bales (245,000 bales of 500 pounds gross) but actual exports may exceed the quota figure because of the carryover of the unused balance of last season's quota.

Other Government actions affecting the cotton industry in recent months have included the suspension of the quota system for allocation of cotton to Indian mills, and the downward adjustment of the excise tax rates on domestic use of mill-made cotton textiles. Tax rates on coarse and medium categories of cloth had been increased on March 1, 1955, but were lowered on March 21, 1955, to levels similar to those in effect prior to the initial action. (See table, following page.)

INDIA: Imports of cotton by countries of origin;
average 1945-49; crop years 1951-53; August-
February 1953-54 and 1954-55

(Equivalent bales of 500 pounds gross)

Country of origin	Year beginning August 1				August-February	
	Average	1951	1952	1953	1953-54	1954-55
	1945-49					
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Brazil.....	1/ 9.0	0	2/	0	0	2/
British East Africa...	181.9	106.5	212.3	125.6	49.3	78.4
Egypt.....	249.5	115.9	204.1	199.6	92.5	73.1
Pakistan.....	3/ 131.7	.2	2/	0	0	2/
Peru.....	1/ 16.1	10.1	3.9	.3	.1	2.8
Sudan.....	29.6	44.2	63.3	43.3	38.8	15.3
United States.....	71.4	746.0	77.4	125.0	17.3	64.1
Other countries.....	-	3.0	2.3	.1	.2	1.2
Total.....	4/ 647.7	1,025.9	563.3	493.9	198.2	234.9

1/ 4-year average. 2/ If any, included in "Other countries". 3/ 3-year average.

4/ Figures do not add to total because of Pakistan's 3-year average.

Source: Accounts Relating to the Sea-borne Trade and Navigation of India; reports of Agricultural Attaches, and other U.S. representatives abroad.

INDIA: Exports of cotton by countries of destination; averages
1935-39 and 1945-49; crop years 1952-53 and 1953-54;
August-February 1953-54 and 1954-55

(Equivalent bales of 500 pounds gross)

Country of destination:	Year beginning August 1				August-February	
	Averages		1952	1953	1953-54	1954-55
	1935-39	1945-49				
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Australia.....	1/ 10.0	11.7	2.0	1.4	1.3	1.0
Belgium.....	146.7	67.0	16.6	1.3	1.1	2.6
France.....	155.9	173.1	18.6	6.9	4.8	5.0
Germany.....	137.9	4.5	17.5	3.2	2.1	4.0
Italy.....	90.7	11.4	12.6	1.3	.5	2.8
Japan.....	1,231.5	2/ 51.0	142.8	47.5	33.3	49.5
Netherlands.....	33.4	22.6	20.3	6.7	5.1	4.1
United Kingdom.....	393.8	74.7	16.6	12.4	8.5	15.7
United States.....	76.8	90.3	36.0	9.8	8.1	8.0
Other countries.....	3/ 382.4	61.7	8.9	1.3	1.0	2.7
Total.....	2,659.1	568.0	291.9	91.8	65.8	95.4

1/ 4-year average. 2/ 3-year average. 3/ Includes China 243.7, Poland 25.2
Korea 21.4, French Indochina 18.4.

Source: Accounts Relating to the Sea-borne Trade and Navigation of India; reports of Agricultural Attaches, and other U. S. representatives abroad.

WORLD SUGAR PRODUCTION FOR
1954-55 SETS NEW RECORD

World production of centrifugal cane and beet sugar for 1954-55 is now estimated at more than 40.3 million short tons, raw value, an upward revision of almost 1.2 million tons from the forecast of November 29, 1954. Such a crop sets a new high record for centrifugal sugar output. Despite a more favorable outlook for world sugar distribution during the past few months, a new sizable addition to world surpluses this year is indicated.

World production of non-centrifugal sugar is now estimated at 6.2 million short tons, total, during 1954-55, or slightly larger than the crop of 1953-54. This estimate is reduced by 340 thousand tons from the previous forecast, as the Indian Union reduces the estimate for gur production and raises the estimate for centrifugal sugar production.

Estimated world production of centrifugal cane sugar for 1954-55 is revised upward to 24.7 million short tons, raw value, a new record for cane sugar output and an increase of 3.3 percent over the 23.9 million tons of last season. Increased production is noted for every continent except North America. Decreased output in North America reflects almost entirely the further restrictions on production in Cuba. With the limitation of the U. S. Sugar Act, total offshore and continental United States production remained at the level of 2.9 million tons. The Republic of the Philippines filled its marketing quota in the United States in 1954 for the first time since before the war and is now maintaining its output at slightly more than its quota plus domestic requirements. With respect to the balance of the world, a restricted crop is indicated for Taiwan, while weather and other crop conditions limited output in some smaller cane-producing areas. For the most part, the balance of the world appears to have increased cane sugar production this season.

The 1954-55 estimate of world beet sugar production is revised upward to 15.6 million short tons, raw value, from the preliminary estimate of 15.2 million tons in November. The crop is 4.4 percent less than the record 16.3 million tons of last season. In Western Europe, upward revisions in the 1954-55 estimate are noted for every country except Ireland, Italy, Sweden, and Yugoslavia. An upward revision for Eastern Europe outside of the U.S.S.R. offsets a downward revision for that country. The estimate for United States beet sugar production remains at about 2.0 million tons and compares with a 1.8 million tons marketing quota under the Sugar Act.

The new International Sugar Agreement ended its first year of operation with the free market price at 3.17 cents per pound, f.a.s., Cuban ports. The International Sugar Council had reduced the quotas of participating exporting countries by the maximum 20 percent permissible and could take no further action save the lowering of the price objective. This, however, was not done. (Text continues, bottom p. 567. See table on production of centrifugal sugar, pp. 565, 566, and 567; and of non-centrifugal sugar, p. 568.)

CENTRIFUGAL SUGAR (raw value): Production in specified countries,
averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 <u>3/</u>
	1935-39	1945-49				
	1,000	1,000	1,000	1,000	1,000	1,000
	short	short	short	short	short	short
	tons	tons	tons	tons	tons	tons
U.S.S.R. (Europe and Asia) (beet).....	2,761	1,643	2,700	2,500	2,700	2,500
ASIA (beet and cane)...						
Afghanistan (beet).....	-	-	5	4	6	7
Burma.....	27	10	17	25	26	25
China incl. Manchuria <u>7/</u>	87	77	72	96	86	132
India.....	1,303	1,319	1,900	1,700	1,320	1,690
Indochina.....	77	11	7	4	3	3
Indonesia.....	1,207	102	472	637	683	800
Iran (beet).....	23	41	85	87	87	75
Japan (beet).....	46	11	31	38	48	40
Pakistan.....	33	34	83	95	91	100
Philippines, Republic of.....	1,058	382	1,076	1,134	1,435	1,405
Ryukyu Islands.....	32	0	1	4	-	-
Syria (beet).....	0	0	2	7	9	9
Taiwan (Formosa).....	1,240	346	597	983	796	755
Thailand.....	21	28	37	40	40	42
Turkey (beet).....	76	131	228	200	213	218
Total Asia (excl. U.S.S.R.).....	5,230	2,492	4,613	5,054	4,843	5,301
SOUTH AMERICA (cane)						
Argentina.....	510	654	760	654	829	908
Bolivia.....	1	2	3	7	6	7
Brazil.....	830	1,420	1,857	2,151	2,328	2,500
British Guiana.....	210	198	272	269	268	276
Colombia.....	51	135	178	218	240	270
Ecuador.....	24	44	53	64	59	58
Paraguay.....	6	16	33	25	16	19
Peru.....	444	485	528	675	687	690
Surinam.....	15	5	7	8	8	6
Uruguay <u>7/</u>	2	3	11	19	25	32
Venezuela.....	22	41	70	80	110	130
Total South America.....	2,115	3,003	3,772	4,170	4,576	4,896
AFRICA (cane)						
Angola.....	37	50	54	56	57	50
Belgian Congo.....	14	17	17	18	19	19
British East Africa.....	63	88	88	92	81	91
Egypt.....	166	211	208	247	295	330
Madagascar.....	16	14	17	18	20	15
Madeira and Azore Islands <u>7/</u>	9	9	11	11	11	11
Mauritius.....	320	351	535	517	566	551
Mozambique.....	81	86	92	99	101	99
Reunion.....	91	81	142	174	189	200
Union of South Africa.....	498	542	533	670	725	828
Total Africa.....	1,295	1,449	1,697	1,902	2,064	2,194

CENTRIFUGAL SUGAR (raw value): Production in specified countries,
averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000 short tons	1,000 short tons				
NORTH AMERICAN (cane and beet):						
British Honduras.....;	1 :	1 :	3 :	4 :	4 :	4
Canada.....;	76 :	99 :	133 :	160 :	131 :	124
Costa Rica.....;	9 :	20 :	33 :	34 :	38 :	35
El Salvador.....;	17 :	27 :	31 :	32 :	36 :	36
Guatemala.....;	19 :	33 :	33 :	44 :	46 :	48
Honduras.....;	2 :	1 :	7 :	10 :	11 :	11
Mexico.....;	353 :	636 :	807 :	911 :	960 :	1,063
Nicaragua.....;	9 :	21 :	35 :	38 :	42 :	46
Panama.....;	5 :	11 :	21 :	20 :	21 :	19
United States (beet).....;	1,517 :	1,514 :	1,549 :	1,505 :	1,817 :	2,037
United States (cane).....;	474 :	455 :	419 :	605 :	630 :	607
Hawaii.....;	980 :	861 :	1,020 :	1,099 :	1,077 :	1,092
Puerto Rico.....;	974 :	1,134 :	1,360 :4/	1,170 :4/	1,190 :4/	1,200
Virgin Islands.....;	6 :	6 :	12 :	14 :	10 :	10
Antigua.....;	22 :	25 :	38 :	36 :	14 :	24
Barbados.....;	114 :	121 :	176 :	169 :	184 :	162
Cuba.....;	3,183 :	5,897 :	7,964 :4/	5,687 :4/	5,390 :4/	4,998
Dominican Republic.....;	491 :	509 :	648 :	668 :	699 :	772
Grenada.....;	1 :	1 :	2 :	1 :	1 :	1
Guadeloupe.....;	60 :	48 :	106 :	96 :	114 :	128
Haiti.....;	44 :	49 :	64 :	63 :	54 :	55
Jamaica.....;	119 :	235 :	299 :	370 :	407 :	413
Martinique.....;	64 :	29 :	42 :	60 :	78 :	87
St. Kitts.....;	36 :	40 :	57 :	58 :	56 :	58
St. Lucia and St. Vincent.....;	11 :	12 :	14 :	16 :	14 :	16
Trinidad and Tobago.....;	149 :	144 :	154 :	172 :	193 :	204
Total North America.....;	8,736 :	11,929 :	15,027 :	13,042 :	13,217 :	13,250
WESTERN EUROPE (beet)						
Austria.....;	196 :	46 :	175 :	146 :	197 :	233
Belgium.....;	259 :	246 :	293 :	356 :	450 :	375
Denmark.....;	260 :	266 :	394 :	295 :	425 :	245
Finland.....;	13 :	14 :	23 :	22 :	40 :	41
France.....;	1,078 :	823 :	1,395 :	1,100 :	1,804 :	1,860
Germany, Western.....;	610 :	524 :	1,169 :	990 :	1,552 :	1,445
Ireland.....;	89 :	95 :	100 :	102 :	143 :	111
Italy.....;	414 :	331 :	825 :	819 :	855 :	816
Netherlands.....;	261 :	270 :	386 :	478 :	504 :	468
Spain 5/.....;	202 :	200 :	366 :	669 :	376 :	400
Sweden.....;	340 :	311 :6/	323 :6/	267 :6/	388 :6/	342
Switzerland.....;	13 :	28 :	33 :	32 :	36 :	37
United Kingdom.....;	515 ;	612 :	753 :	686 :	867 :	806
Yugoslavia.....;	103 :	127 :	256 :	61 :	211 :	161
Total Western Europe.....;	4,353 :	3,893 :	6,491 :	6,023 :	7,848 :	7,348
Total Eastern Europe.....;	2,925 :	2,055 :	3,095 :	2,555 :	3,430 :	3,235
Total Europe.....;	7,278 :	5,948 :	9,586 :	8,578 :	11,278 :	10,575

Continent and country	Averages		1951	1952	1953	1954	3/
	1935-39	1945-49					
	1,000	1,000	1,000	1,000	1,000	1,000	
	short	short	short	short	short	short	
	tons	tons	tons	tons	tons	tons	
OCEANIA (cane)							
Australia.....	894	830	809	1,027	1,364	1,425	
Fiji.....	150	131	146	183	192	180	
Pacific Islands.....	69	0	0	0	0	0	
Total Oceania.....	1,113	961	955	1,210	1,556	1,605	
World Total (cane).....	16,755	18,043	24,008	23,358	23,888	24,687	
World Total (beet).....	11,773	9,382	14,342	13,098	16,346	15,634	
WORLD TOTAL (beet and cane)...	28,528	27,425	38,350	36,456	40,234	40,321	

1/ Centrifugal sugar, as distinguished from non-centrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade. 2/ Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year, except in certain cane-sugar-producing countries in the Southern Hemisphere, such as Australia, Argentina, Mauritius, Union of South Africa etc., where the season begins in May or June of the year shown. 3/ Preliminary. 4/ Restricted crop. 5/ Includes a small amount of cane sugar. 6/ Including sugar from Danish beets processed in Sweden. 7/ Includes both cane and beet sugar.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to post war boundaries.

The year 1955 opened with obvious surpluses indicated and the reduced export quotas were maintained by the Council. Fortunately, during the first quarter of the year, an unexpected demand developed from the U.S.S.R. and other Soviet-controlled areas and the world price strengthened and gradually rose to a level above the minimum 3.25 cents. As a result of this windfall, the quotas were raised in April to 90 percent of basic export tonnages, as suggested by principal exporting participants in the Agreement. Thus, the total world free market quota was raised from 4.1 million to 4.6 million tons. However, a new problem has arisen to plague the Council and offset some of the current optimism. Brazil, with a quota of about 173 thousand short tons, has exceeded this quota with exports of more than 220,000 tons, and further contracts for future export are anticipated.

NON-CENTRIFUGAL SUGAR: Production in specified countries
averages 1935-39, 1945-49, annual 1951-54 1/ 2/

Continent and country	Averages		1951	1952	1953	1954 3/
	1935-39	1945-49				
	1,000	1,000	1,000	1,000	1,000	1,000
	short	short	short	short	short	short
	tons	tons	tons	tons	tons	tons
NORTH AMERICA						
Costa Rica.....	15	36	33	33	33	
El Salvador.....	17	27	10	10	10	
Guatemala.....	31	35	30	51	51	
Honduras.....	15	22	23	23	23	
Mexico.....	83	174	165	132	165	165
Nicaragua.....	7	14	25	25	25	
Panama.....	2	9	11	10	10	
Total.....	170	317	297	284	317	315
ASIA						
Burma.....	86	74	84	90	90	90
China.....	350	307	287	384	344	
India.....	2,954	3,338	3,630	2,900	2,900	2,912
Indonesia.....	81	40	115	220	275	276
Japan.....	20	15	20	28	25	
Pakistan.....	710	575	730	915	1,060	
Philippines.....	63	44	50	50	50	100
Ryukyu Islands.....	75	3	8	12	12	
Taiwan (Formosa).....	32	6	12	21	13	15
Thailand.....	17	22	21	21	21	
Total.....	4,388	4,424	4,957	4,641	4,790	4,800
SOUTH AMERICA						
Brazil.....	370	395	300	300	330	
Colombia.....	490	755	838	660		
Ecuador.....	15	18	25	32	32	
Peru.....	9	25	26	27	27	27
Venezuela.....	60	110	110	110	80	80
Total.....	944	1,303	1,299	1,129	1,129	1,130
WORLD TOTAL.....	5,502	6,044	6,553	6,054	6,236	6,245

1/ Non-centrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption on the relatively few areas where produced. The estimates include such kinds known as piloncillo, panelo, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc.

2/ Years shown are for crop years; generally the harvesting season begins in the fall months of the year shown or in the early months of the following year except in certain cane-sugar-producing countries in the Southern Hemisphere, where the season begins in May or June of the year shown.

3/ Preliminary.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of Agricultural Attaches and other United States representatives abroad, results of office research and other information. Estimates of countries having boundary changes have been adjusted to post war boundaries.

NETHERLANDS' TRADE IN FATS AND OILS UP SHARPLY IN 1954

Netherlands' trade in fats and oils during 1954 was considerably larger than in previous years, reports George J. Dietz, Agricultural Attache, American Embassy, The Hague, The Netherlands. Actual imports of fats, oils, and oilseeds last year amounted to 618,441 short tons, oil equivalent, an increase of 40 percent from the 442,066 tons imported in 1953. Imports from the United States in 1954 included 155,343 tons of fats and oils, as such, and 183,135 tons of oil-bearing materials, or about two and one-half times larger, in each case, than the respective quantities in 1953.

The Netherlands: Imports of fats, oils, and oil-bearing materials, total and from the United States, 1954 with comparison

(Short tons)

Commodities	1953		1954	
	Total	From U.S.A.	Total	From U.S.A.
Fats and oils				
Edible.....	245,763	60,146	340,617	155,250
Inedible.....	16,937	1,673	35,037	93
Total.....	262,700	61,819	375,654	155,343
Oilseeds				
Edible.....	375,505	72,746	471,863	97,425
Inedible.....	33,198	-	93,057	85,710
Total.....	408,703	72,746	564,920	183,135
Grand total, oil equivalent.....	442,066	-	618,441	-

Source: American Embassy, The Hague.

Principal items imported in 1954 (with quantities from the United States in parentheses) included: Fish fats and oils--56,502 tons (10,730 tons); offal fat, mainly hog grease--88,966 (82,342); cottonseed oil, raw--57,627 (53,879); palm oil, raw--105,765 (0); linseed oil, raw--24,515 (0); copra--196,010 (0); palm kernels--111,800 (541); soybeans--112,677 (96,790); and flaxseed--88,865 tons (85,710).

A substantial portion of the fats, oils, and oilseeds imported into the Netherlands is for further processing and re-export. In 1954 exports of fats and oils amounted to 301,622 short tons, an increase of nearly one-half from 1953.

After June 1954 when trade in fats and oils was liberalized, one large company began to mix butter with margarine for export to the United Kingdom. Despite the efforts made by the local dairy interests to impede this development, this trade has been successful. As of April 20, 1955, about 22,000 tons of this mixture have been shipped to the United Kingdom.

In addition to regular imports and exports, Dutch merchants find the bonded warehouse trade attractive, as they profit from the dollar scarcity as well as the shortage of fats in many European countries. For this reason, large quantities of fats and oils of United States origin, which may appear in United States statistics as exports to the Netherlands, may not show up in comparable volume as imports into the Netherlands. Of the fats and oils which arrived in bonded warehouse in 1954, about 73,000 tons of technical fats, 33,000 tons of train oil, 185,000 tons of linseed oil, 12,600 tons of soybean oil, and 56,975 tons of cottonseed oil were of United States origin. Merchants also report that the Dutch trade is often able to offer fats and oils at lower prices than buyers are able to obtain in countries of origin.

While purchases in the United States in 1954 were considerable, Dutch merchants do not look with favor on the United States market. This is due mainly to the present market structure (price fluctuations) and sales conditions (less favorable contracts) in the United States. Many of the traders are trying to locate and develop other sources of fats and oils. Some have expressed the opinion that the United States is being unrealistic by not accepting the European trade customs. There is reason to believe that initial negotiations have been opened with other parties to provide the West European market with more raw materials.

JORDAN DEVELOPS REFINED OLIVE OIL INDUSTRY

All equipment is now on order, or is being installed, for an olive oil refining plant to be operated at Nablus in the West Bank area of Jordan, reports the American Embassy, Amman. The plant is scheduled to be in operation by the end of 1955 and in full production early in 1956. Installed cost of the plant is estimated at 150,000 Jordanian dinar (\$420,000). Output is scheduled to be 5,500 short tons of refined oil per year.

The olive oil refining plant is the outgrowth of economic development policy planning. An United Nations' Technical Assistance Administration (UNTAA) expert has been responsible for organizational details. The Jordan Government has made available under the 5-year program JD 60,000 (\$168,000) to assure full subscription of capitalization requirements.

According to the UNTAA expert, the planned capacity of 5,500 tons of refined oil will require an input of about 6,600 tons of crude oil. Production of unrefined olive oil in Jordan is calculated as 13,000 tons in 1954. This is very nearly the maximum production potential at present; in bad crop years production may fall as low as 6,600 tons. Increases in olive tree plantings are marked, however, and it is estimated that the production potential may be doubled in 10 years.

Local consumption of refined olive oil is estimated at 1,100 tons per year. It is expected that imports of refined olive oil will be replaced by the local industry, leaving an exportable surplus production of about 4,400 tons.

The UNTAA official estimates world prices at about \$200 per metric ton (\$509 per short ton) for refined oil and suggests that potential foreign exchange earnings for Jordan resulting from this development could be between \$700,000 and \$800,000 (1.8 and 2.0 million dollars) per year. He is engaged in making marketing recommendations at this time and has inquired as to the prospects of Jordan's entry into the United States import market. He has indicated that he would welcome any inquiries initiated by United States importers for exploration of the suitability and possible packaging requirements of Jordan oil for the United States market. Inquiries may be addressed to the Economic Planning Division, Ministry of Economy, Amman, Jordan.

BELGIUM'S NET IMPORTS OF VEGETABLE OILSEEDS AND OILS LARGER IN 1954

Belgium's net imports of vegetable oilseeds in 1954 amounted to 176,714 short tons, an increase of 41,053 tons over 1953, reports J. W. Vander Laan, Commercial Attache, American Embassy, Brussels. This quantity, however, is still around 135,000 tons below 1952. Net imports of crude vegetable oils were far above previous years. In 1954 there was a net import volume of 83,408 tons as compared with 55,841 tons the year before. The net export of refined oils totaled 18,858 tons in 1954.

Principal fats, oils, and oilseeds imported into Belgium in 1954 (with quantities from the United States in parentheses) were as follows: Peanuts--38,359 tons (25,097); copra--37,608 (0); palm kernels--29,537 (0); soybeans--9,085 (8,239); flaxseed--51,678 (43,367); linseed oil--9,745 (4,084); cottonseed oil--9,566 (5,928); peanut oil--18,791 (3,631); palm oil--50,108 (0); lard--9,688 (8,574); tallow--13,487 (13,159); and marine oils--16,235 tons (0).

Flaxseed production in Belgium in 1954, the largest since 1950, was about 769,250 bushels, as compared with 647,798 bushels in 1953. Favorable weather, both at planting time and during the growing season, resulted in high yields. Rapeseed production continued to decline and last year was estimated at only 1,460 tons against 2,200 tons in 1953. Belgian production of lard and tallow, as such, in 1954 was reported at about 14,800 and 18,900 tons, respectively.

The consumption of oilseed in Belgium last year totaled about 190,700 tons. This quantity is about 22,000 tons above the 1953 consumption but still far below that of 1952. Consumption of oils, lard, and other animal and vegetable fats was about the same in 1954 as in previous years. It is estimated that in Belgium about 27 pounds of fats are consumed per person each year. This figure does not include per capita consumption of butter, however, which is estimated at around 24 pounds.

Nineteen factory ships and about 230 catcher boats engaged in Antarctic pelagic whaling in 1954-55 (Table 2). The combined production of whale and sperm oil, according to provisional data, was 383,657 tons, or slightly less than in 1953-54, reports William F. Spengler, Second Secretary, American Embassy, Oslo. Whale oil output alone was down about 10 percent but sperm oil production was twice that of the previous season.

In addition to Antarctic pelagic operations, production of whale and sperm oil by the 3 shore-stations on South Georgia was reported at 32,967 and 763 tons, respectively. This compares with 32,882 tons of whale oil and 1,620 tons of sperm oil in 1953-54.

Table 2 - WHALE AND SPERM OIL: Antarctic pelagic production, revised 1953-54, and provisional 1954-55

(Short tons)

Country and expedition	Whale oil		Sperm oil		Total	
	1953-54	1954-55	1953-54	1954-55	1953-54	1954-55
NORWAY						
Kosmos III.....	19,390	16,053	608	4,181	19,998	20,234
Kosmos IV.....	27,477	16,672	115	5,977	27,592	22,649
Norhval.....	21,518	15,941	2,235	4,667	23,753	20,608
Pelagos.....	18,717	14,933	871	1,081	19,588	16,014
Sir James Clark Ross.....	18,096	12,089	-	-	18,096	12,089
Suderoy.....	9,982	8,307	8	933	9,990	9,240
Thorshammer.....	15,204	8,822	432	1,021	15,636	9,843
Thorshavet.....	22,850	16,246	852	3,434	23,702	19,680
Thorshovdi.....	20,681	15,696	739	4,334	21,420	20,030
Sub-total.....	173,915	124,759	5,860	25,628	179,775	150,387
UNITED KINGDOM						
Balaena.....	28,133	27,776	3,897	7,271	32,030	35,047
Southern Harvester.....	21,750	19,973	2,007	1,887	23,757	21,860
Southern Venturer.....	29,167	16,604	2,978	1,270	32,145	17,874
Sub-total.....	79,050	64,353	8,882	10,428	87,932	74,781
UNION OF SOUTH AFRICA						
Abraham Larsen.....	25,937	15,335	1,553	3,145	27,490	18,480
NETHERLANDS						
Willem Barendsz.....	16,919	10,889	1,299	1,195	18,218	12,084
JAPAN						
Kinjyo Maru.....	-	12,885	-	1,555	-	14,440
Nisshin Maru.....	24,651	23,169	2,745	4,173	27,396	27,342
Tonan Maru.....	16,569	22,751	3,201	3,960	19,770	26,711
Sub-total.....	41,220	58,805	5,946	9,688	47,166	68,493
PANAMA						
Olympic Challenger.....	-	27,195	-	409	-	27,604
SOVIET UNION						
Slava.....	29,741	30,251	1,827	1,577	31,568	31,828
Grand total 2/.....	366,782	331,587	25,367	52,070	392,149	383,657

1/ Production as of February 19, 1955. 2/ Does not include production of 3 South Georgia shore-stations. In 1954-55 this production, according to preliminary data, was 32,967 tons of whale oil and 763 tons of sperm oil, as compared with 32,882 and 1,620 tons, respectively, in 1953-54.

Source: American Embassy, Oslo.

WHALE OIL OUTPUT DOWN, SPERM OIL UP IN 1955

World production of whale and sperm whale oils in 1955 is forecast at 415,000 and 85,000 short tons, respectively, as compared with 455,000 and 75,000 tons in 1954, according to information available to the Foreign Agricultural Service. A smaller output of whale oil and a much larger production of sperm oil during the 1954-55 Antarctic pelagic season largely account for the respective changes from last year in the total outturns forecast for 1955.

Antarctic production of baleen whale oil in the past 5 years, including the production of 3 South Georgia shore-stations, has accounted for nearly 90 percent of the world supply. During the same period, oil produced from sperm whales taken in this area has made up slightly less than one-half of the total output of sperm oil. Numerous shore-station operations in scattered parts of the world and sperm whaling by factory ship, mainly off the coast of Peru, account for the remaining production. Those countries which normally engage in Antarctic whaling--Norway, the United Kingdom, Japan, the Netherlands, Panama, the Union of South Africa, and the Soviet Union--produce the bulk of the world's whale oil. Australia's production of whale oil also has been substantial in recent years.

Table 1 - WHALE AND SPERM OIL: Estimated world production and major producing countries, 1955 with comparisons

(1,000 short tons)

Country	Whale oil			Sperm oil		
	1953	1954 <u>1/</u>	1955 <u>2/</u>	1953	1954 <u>1/</u>	1955 <u>2/</u>
Norway.....	148:	188:	138:	6:	7:	26
United Kingdom.....	81:	90:	77:	10:	9:	11
Japan.....	44:	58:	69:	6:	15:	16
Netherlands.....	19:	17:	11:	<u>3/</u> :	1:	1
Panama.....	29:	- :	27:	2:	10:	<u>3/</u>
Union of South Africa...	33:	31:	21:	5:	4:	6
Soviet Union.....	31:	32:	33:	14:	15:	15
Australia.....	19:	19:	17:	- :	- :	-
Argentina.....	6:	10:	9:	1:	<u>3/</u> :	<u>3/</u>
Chile.....	3:	3:	3:	3:	3:	3
Portugal <u>4/</u>	- :	- :	- :	3:	4:	4
Others.....	7:	7:	10:	5:	7:	3
World total.....	420:	455:	415:	55:	75:	85

1/ Preliminary. 2/ Forecast. 3/ Less than 500 short tons. 4/ Production of Azores and Madeira Islands.

Compiled from official and unofficial sources.

The catch of baleen whales in the 1954-55 Antarctic season, provisionally reported at 15,300 blue-whale units, was well under the maximum catch quota of 15,500 units established by international agreement (see Foreign Crops and Markets of April 11, 1955). This may account partly for the lower outturn of whale oil in the past season, as the 1953-54 catch of baleen whales reached 15,456 units. No maximum quota has been established for the catch of sperm whales, however, and the increase in Antarctic production this season was due largely to more favorable prices.

ITALY'S FATS AND OILS SITUATION

With the exception of olive oil, Italy is dependent upon imports for 50 to 70 percent of its consumption needs of vegetable oils and animal fats, reports Earl S. Fox, Assistant Agricultural Attache, American Embassy, Rome. However, of the total fats and oils consumed, olive oil accounts for approximately 53 percent, animal fats for 27 percent, and vegetable oils for the remaining 20 percent.

The Italian olive oil supply and distribution estimates for 1953-54 and 1954-55 and the forecast for 1955-56 have been summarized as follows:

	Revision <u>1953-54</u>	<u>1954-55</u>	Forecast <u>1955-56</u>
	<u>1,000 short tons</u>		
Opening stocks, Nov. 1	33	106	43
Production <u>1/</u>	412	265	385
Imports <u>2/</u>	25	23	22
Total supply	<u>470</u>	<u>394</u>	<u>450</u>
Exports	13	13	13
Consumption (Industrial)	11	7	9
Consumption (Human)	340	331	341
Ending stocks, Oct. 31	106	43	87
Total distribution	<u>470</u>	<u>394</u>	<u>450</u>

1/ Includes estimated sulphur oil of 22,000 tons in 1954 and 33,000 tons in 1953. 2/ On a calendar year basis includes sulphur oil of 5,400 tons in 1954 and 9,400 tons in 1953.

Source: American Embassy, Rome.

Domestic production of oilseeds plays a minor part in the total production of agricultural commodities, and the bulk of the domestic oilseed supply consists of the miscellaneous category which includes grape, tomato, and tobacco seeds and rice bran and corn germ, which actually are byproducts of other industries. There is no indication that any significant expansion is likely to occur in the domestic production of oilseeds.

Vegetable seed oil production is derived from domestically-produced seeds, totaling 220,000 tons in 1954, and imports, 72,000 tons in 1954. Excluding olive oil, the estimated seed oil supply and distribution during the past 2 calendar years and the forecast for 1955 are reported as follows:

	1953	1954	Forecast 1955
	1,000 short tons		
Opening stocks, Jan. 1 <u>1/</u>	84	82	62
Production	55	45	50
Imports <u>2/</u>	87	93	88
Total supply	<u>226</u>	<u>220</u>	<u>200</u>
Exports <u>2/</u>	1	3/	4/
Consumption (Industrial)	22	26	22
Consumption (Human)	121	132	144
Ending stocks, Dec. 31	82	62	34
Total distribution	<u>226</u>	<u>220</u>	<u>200</u>

1/ Stocks in Government hands only. 2/ Includes coconut and palm oils.
3/ Less than 500. 4/ Negligible.

Source: American Embassy, Rome.

The year 1954 saw no change in the import policy concerning oilseeds and seed oils. Imports of seed oils are still tied in with a purchase from government stocks. Imports of coconut oil and palm oil are exempt from this provision. So, in fact, are linseed oil imports if it can be shown conclusively that such imports will go into industrial uses only.

Oilseeds can be imported freely without an import license except from the dollar area. An exception is made to dollar imports by the government in cases where an importer is in a position to make a currency switch through a clearing house. As a result some imports have come in from the dollar area through Yugoslavia, Argentina, and Switzerland. Currently, however, United States prices are too high to make such transactions attractive to Italian buyers.

Importers and end users are favoring the importation of oils rather than seed. Crushing costs apparently are higher in Italy than in exporting countries. Import taxes and manufacturing taxes are perhaps the principal cost factors involved in handling oils.

The quantity of oilseeds and seed oils imported during 1955 will depend entirely on the disposition of government stocks. With reference to imports of cottonseed oil, soybeans, and flaxseed or linseed oil from the United States, all the previously mentioned restrictions apply. And, the government does not encourage the import of vegetable oils and oilseeds from the dollar area. Nevertheless, the trade shows quite active interest in the supply and price situation of United States oils and oilseeds.

Should the price become "attractive" (sufficiently low to permit currency switches) there would quite likely be a market for soybeans and flaxseed or linseed oil. Private trade sources have indicated that at present they would be interested in soybeans only if the price dropped below \$100 per metric ton (\$2.72 per bushel) c.i.f., and would show interest in flaxseed at \$120 per ton (\$3.05 per bushel) c.i.f., and raw linseed oil at \$160 per ton (7.3 cents per pound) c.i.f.

While manufacturing or processing taxes on vegetable oils did not change during 1954, a tax of 120 lire per kilo (8.7 cents per pound) was imposed on the processing of animal oils. Also, a tax of 60 lire (4.4 cents) was placed on the processing of fatty acids except palm and coconut oils.

Imports of oilseed cakes and meals were completely liberalized in the latter part of 1954. At the same time a ban was placed on the exportation of cakes and meals of a high protein content. Both measures are intended to stimulate the use of protein feeds in the cattle industry.

There have been no new developments in respect to inedible tallow imports since the Ministry of Foreign Trade announced late in 1954 that tallow imports could be made freely up to \$6,000,000. (See Foreign Crops and Markets, January 17, 1955.) The trade estimates that anywhere from one-half to two-thirds of the allocated sum has been contracted for and that supplies will be running short by the end of June, at which time it is expected that the Ministry will make another similar provision. Purchases of tallow have been erratic due to the abrupt and rather frequent price changes in the United States.

Imports of inedible tallow in 1955 are expected to be about the same as in 1954, or perhaps slightly less. The new tax on animal oil processing is expected to reduce the quantity of inedible tallow going into edible uses. In addition, while synthetic detergents still constitute only a small part of total detergent or soap production, some increase in usage is noticeable. Informed sources, however, feel that inedible tallow imports will remain at present levels (72,000 short tons) for the next 3 to 5 years even though synthetic detergent production may increase. The increase in production would be followed by an over-all increase in consumption of soaps and detergents and in the long run the import needs of inedible tallow for soap production would be expected to increase.

(Supply and disposition of animal fats in Italy, estimated 1953, 1954, and forecast 1955, given in table, following page.)

The supply and disposition of animal fats in Italy is estimated for the past 2 calendar years and forecast for 1955 as follows:

	Revision 1953	1954	Forecast 1955
	<u>1,000 short tons</u>		
Opening stocks, Jan. 1	NA	NA	NA
Production <u>1/</u>	143	149	150
Imports	<u>116</u>	<u>97</u>	<u>100</u>
Total supply	<u>259</u>	<u>246</u>	<u>250</u>
Exports	5	1	2/
Consumption (Industrial)	77	77	80
Consumption (Human)	177	168	170
Ending stocks, Dec. 31	<u>NA</u>	<u>NA</u>	<u>NA</u>
Total distribution	<u>259</u>	<u>246</u>	<u>250</u>

1/ Includes estimates of tallow, lard and other animal fats. 2/ Negligible.

Source: American Embassy, Rome.

YUGOSLAVIA REVISES AGRICULTURAL EXPORT POLICY 1/

A decision of the Economic Committee of the Federal Executive Council of Yugoslavia which became effective February 23, 1955, replaces and enlarges a similar decision of January 1, 1954, restricting exports or placing export quotas on several agricultural products.

According to the new decision the export of the following raw and processed agricultural products is prohibited: Wheat, barley, maslin, buckwheat, millet, all types of flour, beans (except tetavo variety), sugar, rapeseed, sunflower seed, cottonseed, hemp seed, and clover and alfalfa seeds; lard, butter, edible oil, tallow, bacon, fat, and female calves.

Export of the following animal feeds which could be exported during 1954 through special export licenses is embargoed: Concentrated animal fodder, sugar beet-cuttings, oilseed cake and waste, bran, and molasses. If, however, an export license had been granted during 1954 for any of the above-named commodities, the license may be continued for the quantities not yet delivered.

It may be significant that corn, which according to the 1954 decision could be exported only with an authorization from the Economic Committee of the Federal Executive Council, was not included in the 1955 decision.

1/ See also FCM, April 18, 1955, p. 468

According to the new decision, export quotas for the following agricultural products will be issued by the Foreign Trade Boards: hogs and pork, cattle and meat, draft and breeding horses, and Tetavo beans.

NORTH AMERICAN APPLES
IN U.K.

According to the British Fruit Intelligence 1,258,000 boxes of North American apples will have arrived in British markets this season. Through March, Canada had shipped 716,000 boxes with 51,000 additional to arrive in April. During the same period the United States delivered 387,000 boxes with 104,000 more scheduled for April delivery.

British Columbia supplied 642,000 boxes of the season's arrivals through March, while the remaining 64,000 came from Nova Scotia. For the United States, the Pacific Coast furnished 282,000 boxes and 105,000 came from the Atlantic Coast.

Last previous North American shipments of apples to United Kingdom markets were during the 1951-52 season. That year Canada supplied 995,000 boxes, and the United States delivered 1,131,000.

PUBLICATIONS RELATING TO U.S. FOREIGN AGRICULTURAL TRADE

Issued recently and available free upon request
from the Foreign Agricultural Service, U.S. Department of Agriculture; Washington 25, D. C.

Exports of Greek Tobacco Booming. Foreign Agriculture Circular FT-19-55

The United Kingdom Tobacco Market. Foreign Agriculture Circular FT-16-55

Miscellaneous Tobacco Developments. Foreign Agriculture Circular FT-17-55

Foreign Agricultural Trade of the U. S. -- Digest. April 1955

World Flaxseed Production up 6 Percent. Foreign Agriculture Circular
FFO-8-55

Grain Supplies in Exporting Countries Large. Foreign Agriculture
Circular FG-15-55

(See Late News, page 579.)

L A T E N E W S

The 1954-55 bean crop in Argentina, the harvest of which is now about completed, includes about 130,000 bags of Bolita beans, and a similar quantity of butter beans, according to preliminary estimates by the Argentine trade. The Bolita bean is similar in appearance to the United States medium white bean. About 55,000 bags of the Bolitas and 45,000 bags of butter beans reportedly are available for export. These usually go to Europe. Western Germany and Holland took most of last year's supply.

Transshipments of Mexican cotton through United States ports in January, 1955, amounted to 60,000 bales (500 pounds gross) compared with 76,000 bales in January, 1954. The principal destinations in January, 1955, were: Japan 23,000 bales; Belgium 9,000; West Germany and the Netherlands 8,000 each; the United Kingdom 7,000; Italy 2,000; and Columbia and Sweden 1,000 each. These figures include linters, waste, and hull fiber, but do not include transshipments of cotton to Canada by railroad or exports from Mexican ports directly to foreign destinations.

Further adjustments by the Government of India in the excise taxes on mill-made and hand-woven cotton fabrics were announced April 18, 1955. Essential purpose of the changes apparently were to equalize tax rates between coarse, medium, fine, and superfine cloth. The new tax rates are roughly 1 U.S. cent per linear yard for coarse fabric, prices of which average 10 cents per linear yard; 1 cent tax on medium fabric averaging 13 cents per yard; 2 cents tax on fine fabric averaging 16 cents per yard; and 4 cents tax on superfine fabric averaging 21 cents per yard.

Brazil has reduced the value of the Brazilian cruzeiro for cotton export trading. The new rate, effective May 4, 1955, is 43.06 cruzeiros per U. S. dollar, representing a decrease in value of 16.2 percent from the old rate of 37.06 cruzeiros per dollar, effective January 19, 1955. Government officials say that in this way local buyers will now pay additional prices to cotton farmers in terms of cruzeiros instead of reducing prices in terms of foreign currency to foreign buyers.

